## Exhibit 8

State of California ex. rel. Ven-A-Care of the Florida Keys, Inc. v. Abbott Laboratories, Inc., et al.

Exhibit to the Declaration of Rita Hanscom in Support of Plaintiffs' Opposition to Dey, Inc. and Dey, L.P.'s Motion for Partial Summary Judgment

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UNITED STATES DISTRICT COURT

DISTRICT OF MASSACHUSETTS

In re: PHARMACEUTICAL

INDUSTRY AVERAGE WHOLESALE

PRICE LITIGATION MDL No. 1456

----- C/A No. 01-12257-PBS

THIS DOCUMENT RELATES TO: HON. PATTI B. SARIS

UNITED SATES OF AMERICA ex rel.

VEN-A-CARE OF FLORIDA KEYS, Inc.,

et al. v. DEY, INC., et al.,

CIVIL ACTION NO. 05-11084-PBS

DEPOSITION OF: W. DAVID BRADFORD, Ph.D., VOL. I

DATE: May 7, 2009

TIME: 9:07 AM

LOCATION: Offices of the United States

Attorney for the District

of South Carolina

151 Meeting Street, Suite 200

Charleston, SC

TAKEN BY: Counsel for the Plaintiffs

REPORTED BY: Laura J. Bash, RPR

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- <sup>1</sup> the brand.
- A. As a general pattern.
- Q. As a general pattern.
- Now, is it your understanding that the
- 5 AWP should be at least 10 percent below the brand?
- Meaning it could be any number below that?
- A. My understanding is that it could be
- 8 more than 10 percent below the brand.
- <sup>9</sup> Q. Okay. Thank you.
- Why is it, in your opinion, that most
- 11 generic entrants set it at or near 10 percent below
- the AWP of the brand? Is there an economic reason
- for that?
- A. My -- my understanding of that, my
- assessment of what's going on is that the -- in the
- generic market, the WAC is the important pricing
- benchmark, the important list price that is
- utilized by the manufacturers. The AWP, while
- useful in the branded market is much -- is
- not -- there's not a tied relationship between AWP
- and WAC in the generic market as there frequently
- is in the branded market, the AWP being less

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- important for their day-to-day transactions tends
- to be set at launch relative to the brand because
- there's no prior launch data for the manufacturers
- 4 to rely on by definition.
- It's set relative to the brand, in some
- sense for lack of better information. The WAC is
- what they then base transactions on, and the AWP is
- unimportant and from their day-to-day transactions
- selling basis invoice. And as a consequence, it's
- just left where it is.
- Q. I think you at some place in your
- report, you opine that AWP, at least in the case of
- Dey's products, has no meaningful economic
- relationship to WAC.
- A. Yes. I think that's a close quote.
- Q. And does it also, by extension,
- indicate that your opinion is that AWP has no
- economically meaningful relationship to actual
- sales prices? And let me refer -- just to define
- that to mean ASP.
- MS. REID: Just for clarification,
- we're doing ASPs. Are you using the Medicare

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- definition of it?
- MR. HENDERSON: Yes, if that would be
- <sup>3</sup> easier.
- MS. REID: I mean, just so we know what
- 5 the acronym --
- <sup>6</sup> BY MR. HENDERSON:
- Q. To me, ASP means after discounts, after
- 8 chargebacks and rebates, so an average net price.
- A. So let me say it this way. As I have
- said in my report, the WAC, the prior to discount
- invoice price that wholesalers and manufacturers
- transact upon, bears no economic and meaningful
- relationship to AWP for Dey products.
- Q. Correct.
- A. Similarly, the discounted measure would
- bear no economically meaningful relationship
- between AWP -- with AWP for Dey products.
- Q. Okay. So why would -- what economic
- reason is there if -- if AWP has no meaningful
- economic relationship to either a company's WAC or
- its net discounted average sales prices or any
- other real reflection of actual marketplace prices,